

stations through Mr. Gammon. Colby May, our communications counsel, assisted in the negotiations. I was involved, as noted in 7 above, in discussions with Dr. Crouch concerning the sale. In addition, I reviewed and transmitted various drafts of the proposed agreement.

10. Who supervised the preparation of National Minority's assignment application? Our communications counsel prepared a draft of NMTV's assignment application, which was sent to me for review. I reviewed the application prior to its filing with the Commission. I signed the application on behalf of the corporation, certifying the application's accuracy.

11. Who prepares and supervises the preparation of other National Minority applications? Communications counsel's office prepares drafts of all of NMTV's applications either because they know an application is needed or because I have instructed them to do so. In almost every instance, with perhaps an exception that I don't recall now, I supervise the preparation of the applications, provide documents requested by the attorneys if needed in the preparation of the application, and review the draft applications prior to submission to the FCC. In almost every instance I sign the applications submitted to the FCC.

12. "Submit the minutes of any meetings of the Board of Directors of National Minority that discussed the acquisition of Station WTGI-TV. If the acquisition was not approved by a vote of the board state why, and submit statements from all persons that were involved in the decision to acquire the station. Those statements should describe the decision making process and the nature of the person's participation in it." The sale of the Odessa-Midland station by NMTV, and the acquisition of WTGI,

The decision subsequently was made to sell Midland-Odessa and acquire a station in a larger market. During late 1989 and throughout 1990 NMTV reviewed and considered acquisition proposals in at least two large television markets. In both instances the board agreed to purchase the station in the large market to expand NMTV's ministry. For one reason or another these negotiations did not pan out. In one instance because the price was too high, and in the other instance because the proposed seller decided not to sell the station.

At any rate, NMTV was actively looking for broadcast properties in larger markets. When Paul received the call from Jim Gammon concerning WTGI in Wilmington, this represented a television station in the fourth largest television market and in an area where Trinity programming, in fact religious programming in general, was not generally available.

Because the station was in bankruptcy and had as assets not only the station's equipment but a large tract of land, Dr. Crouch and I believed that the Wilmington station probably would

I called Rev. Aguilar sometime during September, surely prior to our October 5 board meeting, and mentioned that NMTV had an opportunity to purchase WTGI to him. Since Rev. Aguilar, even though he was a new director, had been a part of conversations in which we had discussed the sale of Midland-Odessa so that we

Before the Portland station was ready to go on the air, I negotiated the purchase of the studio building. When the station staff needed to be hired, I travelled to Portland and interviewed applicants for the various jobs. I hired NMTV's employees at the Portland station, and spent time training public affairs employees of the station by telephone.

The tax reports prepared by ADP and the benefit reports prepared by our insurance company come to me, and I review benefit payments. In addition to the financial and other reports concerning NMTV's finances, I also receive and review a check log for National Minority on a regular basis.

As noted above, NMTV's station managers contact me on a regular basis concerning a number of issues, ranging from the graffiti on station walls, or problems of damage to pillars in the front of the building, to hiring and firing station personnel. In the latter instance, the station managers are not authorized to hire or fire employees without my authority, except on an emergency basis.

14. "Have Duff and Aguilar participated in the formulation of policies concerning programming and personnel practices at the proposed station?" In the first instance, I supervised the preparation of NMTV's FCC application so I at least helped formulate the representations that are made in the

FCC application concerning NMTV's programming and personnel practices.

I have been involved with NMTV since its inception, and, while I have generally supported NMTV's role as an outreach of Trinity's television ministry. I have an interest in local and

15. "As of September 13, 1991 what percentage of station funding will come from a bank loan and what percentage will come from contributions from viewers?" To date, to my knowledge, NMTV has not received any contributions designated for the purchase of WTGI. TBN has received nearly \$37,000 in contributions designated for the purchase of acquiring a television station in the Philadelphia area. These funds will be credited to NMTV and offset its obligation to Trinity. The entire \$4.0 million necessary for the purchase of the station are the proceeds of a loan from Trinity Broadcasting Network. A copy of that loan note is attached to this affidavit as Exhibit B. As noted in that agreement, a portion of NMTV's obligations to TBN will be satisfied by contributions to TBN derived from zip codes within the station's coverage area. The loan also specifies a 5 percent interest rate.

Ultimately, however, NMTV hopes to solicit sufficient contributions from the public to retire its entire obligation to Trinity under the loan.

16. "Who paid for and signed the checks for the \$400,000 deposit and the \$3.6 million escrow payment?" The check for the \$400,000 initial deposit was signed by Al Brown and Paul Crouch and drawn on an NMTV account. The check was used to acquire a \$400,000 cashier's check which was presented to the bankruptcy court. The funds for the deposit were transferred to

an NMTV account from a Trinity account on my order, with Dr. Crouch's concurrence.

The 3.6 million dollar check was signed by Charlene Williams and Al Brown, and represented the proceeds of a loan from TBN which NMTV's board approved.

I note here that both NMTV checks to the bank, for \$400,000 and \$3.6 million, contain an irregularity. Allan Brown is the vice president of finance for TBN, but he is not an officer or director of NMTV.

17. "To what extent do Duff and Aguilar acquire their income from Trinity as employees or consultants, or from other independent contracting agreements with Trinity?" I am a salaried employee of Trinity Broadcasting Network with the title of Assistant to the President. I receive no other payments or income from TBN or any affiliate organization as an employee, consultant or independent contractor. Rev. Aguilar does not receive any income from Trinity. His church receives the payments that I've described above.

18. "Are any or all of NMTV's officers employees, independent contractors or otherwise affiliated with Trinity?" Rev. Aguilar is the only member of NMTV's officers and directors who is not paid by Trinity or works for Trinity in some capacity. Paul Crouch is the president of Trinity Broadcasting Network and



receives a salary from the Network. As noted above, I am the Assistant to the President of Trinity Broadcasting Network and receive a salary from TBN. Matt Crouch is Paul Crouch's son and is paid by Trinity Broadcasting Network as an Administrative Assistant to the President. Charlene Williams, the head of Trinity's computer and accounting department, is a salaried employee of Trinity Broadcasting Network.

19. "Describe the specific duties Mrs. Duff performs with Trinity." Generally my areas of responsibility involve TBN's

Legal affairs, public relations, and community relations.

I am responsible for a great deal of KTNB's public involvement with the community, and, in the past, have appeared at civic organizations, Chamber of Commerce luncheons, churches, schools, etc. to represent the station. I now supervise other station representatives to ensure that the station is well represented in the community.

As part of my job of reviewing FCC applications I am responsible for all of TBN's translator applications. At present TBN has over 150 translators, and I review and supervise the constant efforts to expand TBN's translator coverage, and to improve the coverage of its existing stations. During the last LPTV application window I was responsible for preparation and filing of some 48 LPTV applications.

I am also the primary TBN representative at various industry functions. For example, I participated in TBN's delegation to various cable shows throughout the country, have attended several National Translator Association Conventions, and

have been Trinity's representative at as well as a panel participant in the last Community Broadcasters Association meeting in Las Vegas.

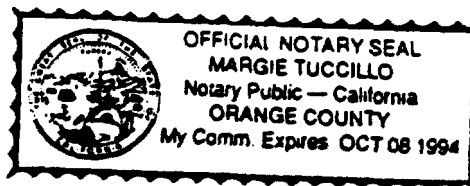
By: P. Jane Duff  
P. Jane Duff

STATE OF CALIFORNIA )  
COUNTY OF Orange )

SUBSCRIBED AND SWORN TO, before me, in my presence, this 3rd day of September 1991, a Notary Public in and for the county of Orange, State of California.

By: Margie Tuccillo (Seal)  
Notary Public

My Commission Expires: 10-8-94





The spectacular growth of Tustin-based Trinity Broadcasting Network has been aided in part by liberal interpretation of a federal policy designed to promote minority broadcast ownership, a review of federal documents shows.

(C) 1989 Los Angeles Times, January 28, 1989

According to documents filed with the IRS, neither Duff, who earned \$21,405 for her work at TBN in 1987, nor Espinoza receives any additional compensation for serving as directors of the corporation. Duff, who has a secretary of her own and the title of assistant to the president, is also listed as a director of two of TBN's educational stations, KLUJ-TV, Harlingen, Tex., and KITU-TV, Beaumont, Tex., and she serves on the boards of TBN's station in Ciskei, South Africa, and another on the Caribbean island of Nevis. Her husband, Ralph Duff, an Irvine medical consultant, is listed as assistant secretary and member of the board of Trinity Broadcasting of Florida Inc. The Duffs' son, Reggie, is chief of security at TBN.

The NMTV application to buy the financially troubled Portland station makes no mention of Duff's status as an employee of TBN, and there is no written record of further inquiries by the FCC.

According to Alan Glasser, a staff attorney with the FCC, the commission requested additional documentation from NMTV to make certain that each of the three listed directors had equal voting rights in the corporation.

"We had our doubts," Glasser said. "It doesn't take a quantum leap to see that Mr. Crouch had the money" required to buy, build and equip the stations.

But after examining the corporation's papers, Glasser said, the commission decided that NMTV's structure was "consistent with the policy" providing for minority ownership and control. He said he could not recall whether commission officials were aware that Duff was Crouch's employee, but if they had been aware of it, it would have been considered "a minor thing."

#### Declined Comment

Crouch, who said recently that it seems as though "the FCC is working for TBN most of the time these days," declined to comment on minority participation in TBN.

Duff did not return phone calls from The Times and there was no answer at the telephone number listed at the address that Espinoza filed with the FCC.

FROM

PAGE 59

(c) 1989 Los Angeles Times, January 28, 1989

In mid-1988, Terry Hickey, TBN's vice president of finance and its highest-paid employee apart from Crouch, left TBN to become executive director of AATV. Hickey declined to return repeated phone calls and Paul Crouch did not respond to inquiries.

However, the president of All American TV, Sonny Arguinzoni, did respond to written questions from The Times regarding his and All American's relationship to Crouch and TBN. AATV was founded, Arguinzoni said, by himself and Nicky Cruz, author of "The Cross and the Switchblade," who now serves as vice president and a director of the company. According to documents filed with the IRS by All American TV, neither Arguinzoni nor Cruz receives any pay for their work as officers and directors of the company.

Arguinzoni, a 49-year-old former New York gang member and heroin addict, has for nearly 30 years ministered to troubled Latino young people. Of Puerto Rican background, Arguinzoni escaped his drug addiction and troubled youth with the help of Cruz and urban evangelist David Wilkerson, a story recounted in Arguinzoni's autobiography, "Once a Junkie."

Arguinzoni came to California to attend the Latin American Bible Institute in La Puente, which is operated by the Assemblies of God -- the denomination to which Crouch belongs -- and went on to establish a church and street ministry called "Victory Outreach," now located in La Puente.

#### Free Use of Studios

For more than 7 years, Arguinzoni has hosted a weekly, half-hour talk show on TBN -- a show produced and paid for by the network -- called "Treasures Out of Darkness." In addition to the loan to AATV and the program-affiliation agreement with TBN, Arguinzoni said, TBN provides AATV with the free use of its Tustin studios for local production.

According to a source familiar with the terms of the agreement between TBN and All American, who asked that his name not be used, Arguinzoni is committed to running TBN's complete menu of programming for at least the next 5 years.

Research assistance for this article was provided by Lori Silver in Washington.

#### GRAPHIC: Chart, TRINITY BROADCASTING NETWORK'S ADMINISTRATIVE PROFILE

Series; Sidebar MINORITIES; MINORITY OWNED BUSINESSES; TRINITY BROADCASTING NETWORK; EVANGELISTS; RELIGIOUS ORGANIZATIONS; RELIGIOUS BROADCASTS; CROUCH, PAUL; CROUCH, JAN; NATIONAL MINORITY TELEVISION INC; ALL AMERICAN TV INC





P. Jane Duff

Born in Omaha, Nebraska on June 7, 1934, Jane Duff now resides with her family in Irvine, California. Mrs. Duff began her professional career in early 1979 with the Trinity Broadcasting Network, Inc. (TBN) as a telephone counselor, and subsequently assumed a position as Public Affairs Director for TBN. In June 1979, Mrs. Duff became Vice President and a Member of the Board of Directors of TBN.

Mrs. Duff has a long background in volunteer church and community work. She has functioned as a Sunday School teacher, a lay minister, and has been the Youth Leader of the junior high department at the Evangel Temple Church of Sacramento, California. She presently participates in similar activities at the Sonlight Christian Center in Orange County, California, in her spare time.

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Since moving to Orange County in January 1979, Mrs. Duff, a Black woman, has become a member of the newly-formed Orange County Urban League (August 1980) and a member of the Southern California Broadcasters Association (July 1979). Mrs. Duff has completed courses in "Broadcast Management Studies" at Southern California College. She has also been involved in the various professional and community activities, and in 1981 was chosen as the outstanding Black Business Woman by the Interested Citizens of Santa Ana civic organization.



BIOGRAPHICAL DATA ON DIRECTORS

Paul F. Crouch.

Born March 30, 1934 in St. Josephs, Missouri, Mr. Crouch received a degree in theology from the Central Bible Institute, where he was also ordained a minister of the Assemblies of God Church. It was during his education at Central Bible Institute that Mr. Crouch began his formal career in radio and television in 1954 when he conceived, obtained funding for, and was instrumental in the construction and operation of an educational AM station (KCBI) broadcasting on campus. Since then Mr. Crouch's professional life has concentrated on television programming and broadcasting.

In 1957 he accepted a position as radio announcer at KRSD in Rapid City, South Dakota, and progressed rapidly to become Program Director and finally Manager of a network affiliate in his 20's, KRSD-TV, Channel 7 (NBC).

Mr. Crouch served in this capacity until 1961 when he was

focusing largely on foreign missions and foreign missionary works, as well as the production of the Church's large inventory of audio-visual materials and children's teaching aids.

In 1956 Mr. Crouch became General Manager of KREL-AM, Corona, California, and in 1966 Mr. Crouch purchased a minority stock interest in KREL radio. He held this position for over 5 years, during which time he successfully prosecuted to grant an application for an increase of power to 5,000 watts which had been pending with the FCC for over 8 years, and succeeded in constructing the proposed modification.

In 1970, Mr. Crouch was invited to serve as General Manager of KHOF-FM and KHOF-TV, Channel 30 in San Bernardino, California. During Mr. Crouch's tenure (until 1973), he oversaw considerable construction and facility improvement including the replacement of the transmitter for the FM station, and the complete renovation of KHOF-TV's studio and production facilities. This renovation, which eventually cost in excess of \$500,000, totally altered KHOF's program production.

Mr. Crouch founded the Trinity Broadcasting Network, Inc. (TBN), a nonprofit California corporation in 1973, and became its President. This entity was successful in bidding for Channel 40, KLXA-TV (now KTBN-TV), in Fontana (now Santa Ana), California and in purchasing the stock of International Panorama TV, Inc., which was originally licensed to operate Channel 40. Formerly broadcasting with Spanish language format, TBN altered

Channel 40's program format to that of a religious specialty station. This format quickly proved successful.

Under Mr. Crouch's leadership, TBN has grown to be one of the largest producers and providers (via satellite) of a variety of programming, producing for Channel 40 approximately 35 hours of local programming per week, and providing a 24-hour program service off satellite. Channel 40 was among the first stations in Southern California to transmit 100% color program material, and has been a leader in extending the station's coverage through investment in television translator stations.

In addition, Mr. Crouch has the following professional and work involvements, and community service activities:

- Member of President Reagan's Free Enterprise Counsel, 1981-present.
- Received, as president of TBN, the 1980 Honorary Citation from the National Religious Broadcasters Association in appreciation of outstanding service.
- Received honorary Litterarum Doctor degree from the California Graduate School of Theology in 1981
- Board member of the Santa Ana, California Salvation Army.





# Praise

# The

# Lord



New  
Philadelphia  
Studio

TRINITY BROADCASTING NETWORK VOL. XVIII, NO. V MAY 1991

## PROCLAIM LIBERTY TO THE CAPTIVES

"THE SPIRIT OF THE LORD IS UPON ME, ...THE LORD HATH ANOINTED ME TO PREACH GOOD TIDINGS...HE HATH SENT ME TO BIND UP THE BROKENHEARTED TO PROCLAIM LIBERTY TO THE CAPTIVES..." Isaiah 61:1, 2

Will the GOOD NEWS *never cease*? Praise the Lord — on March 14 (Jan's Birthday) we signed the agreement and deposited the down payment for **FULL POWER CHANNEL 61** serving the great **Wilmington, Delaware — Philadelphia, Pennsylvania** area! *Praise the Lord!* This will be, God willing, and the FCC approving, a *National Minority TV station* ( of which I am President ) working in full affiliation with *your* TBN.

A few weeks ago, Jan and I visited the station and were amazed at the vast region the station covers. The studio is in Philadelphia which means this is the **FIFTH** largest TV market in the Nation! — over *6.5 million souls* under the coverage pattern of the station. We also saw a region rich with American history. Two blocks down the street hangs the fabled **LIBERTY BELL**. A few more blocks... and there it stands, The hallowed chambers of **CONSTITUTION HALL**.

In it our founding fathers signed our **DECLARATION OF INDEPENDENCE** on *July 4, 1776*. The Liberty Bell was rung to announce the **FIRST PUBLIC READING** of the **DECLARATION** —

**"WE HOLD THESE TRUTHS TO BE SELF EVIDENT, THAT ALL MEN ARE CREATED EQUAL AND ARE ENDOWED BY THEIR CREATOR WITH CERTAIN UNALIENABLE RIGHTS..."**

Ah, the **HISTORY, THE HISTORY** of our Blessed **FREE America!** In those sacred halls **BEN FRANKLIN** said:

**"IF A SPARROW CANNOT FALL WITHOUT HIS NOTICE. IS IT POSSIBLE FOR AN**

Yes, beloved partners — **WE WILL RING THIS BELL!** Jesus says —

**"PROCLAIM LIBERTY TO THE CAPTIVES..."** Luke 4:18

If we will work, pray and possess it — **WE CAN HAVE IT!** Together we can proclaim **TRUE LIBERTY!** Praise the Lord!

*But this is not all* — just across the state line in southern New Jersey where the tall Transmitting Tower stands, is *100 acres* of beautiful farmland. When Jan and I visited it we saw a beautiful green crop of some kind growing on it. We also saw *two old houses* that can be rebuilt to *house homeless people*. Pastor Phil Aguilar, *will you help us once again?* Set Free rehabilitation ranches now bless TBN property in Texas and Illinois — *why not take all our TV Tower properties* and make them work *double* for the **KINGDOM OF GOD?**

Beloved Partners — Don't you *SEE it?* God is giving us the platform to **PROCLAIM LIBERTY** to our land *once again*. Forces hostile to Jesus Christ nearly took that liberty from us. But, Praise God, Jay Sekulow, Rick Godwin, John Jacobs, Ken Copeland, James Robison, Dwight Thompson, Robert Schuller, James Kennedy, Oral Roberts, Jimmy Swaggart, Paul and Jan *and YOU*, plus a **HOST OF OTHERS** are —

**TAKING IT BACK . . . .**

*in Jesus' Name!* And *not just America* — **YOUR TBN** and all its affiliated Stations are **REACHING AROUND THE WORLD 24 HOURS A DAY** with **SUPERPOWER KTBN SHORTWAVE RADIO** (15.590 MHz and 7.510 MHz), TV Stations in Italy, Greece, South Africa, Bolivia, Belize, Costa Rica, El Salvador, Nevis and St. Lucia — *Stations under construction or programs on the air* in Brazil, Chile, Uganda and Russia. All in all, as of last count, **255 TV and Radio Stations ON THE AIR WORLDWIDE** — Praise the Lord. and **HELLO WORLD!** In the Name of **IESUS CHRIST** we —





There is no greater JOY on earth than to see the beautiful faces of those who have been DELIVERED from satan's bonds of sin, sickness & deception and adopted into the great big family of GOD! That is why the Holy Beams are rolling more & more these days — so you can bring your loved ones & friends to a TBN Revival — and so MILLIONS watching & listening can be touched by the awesome Presence & Power